



PROVINCE OF MANITOBA

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STATEMENT AND BUDGET SPEECH

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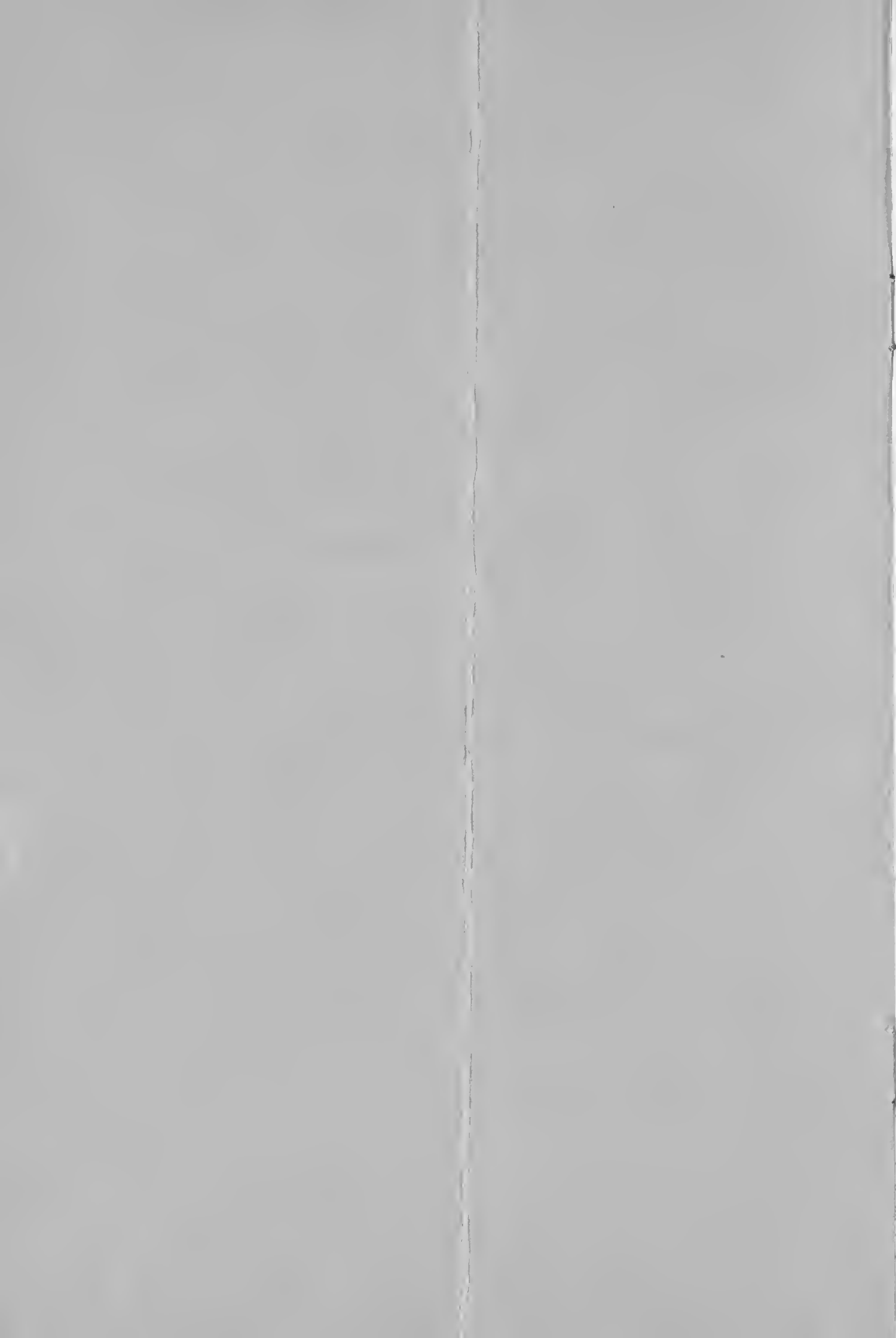
THE HON. D. L. CAMPBELL
Premier and Provincial Treasurer of Manitoba

CONCERNING

THE RED RIVER VALLEY FLOOD of 1950



DELIVERED AT THE
SPECIAL SESSION OF THE 23rd LEGISLATURE
OF THE
PROVINCE OF MANITOBA
NOVEMBER 7-16, 1950





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NOVEMBER 7th, 1950

Mr. Speaker:

My object in making a factual statement to the House at this time is that Honorable Members may have before them a relatively complete outline of the events leading up to and during the course of the flood and of the steps that have been taken since the flood subsided, in the way of rehabilitation assistance by governments and others. It seemed to me that this would be a necessary first step in arriving at a judgment as to how effectively or otherwise, the situation was dealt with, and in reaching decisions now as to the extent to which the province and the provincial taxpayers are to be responsible for costs and as to steps in perfecting our defences against unusual conditions that might cause danger of flooding in the future.

I do not propose to discuss in detail the history of the flood itself. Rather I will give main emphasis to the measures taken to assist in relief and rehabilitation of the flooded districts.

The heavy and persistent rains throughout the fall of 1949, followed by an early and prolonged winter, with heavy snowfalls, led to uneasiness as to a possible spring flood. The late spring breakup further added to these fears, with the result that on March 11th city and provincial engineers issued a joint statement stating in effect that spring flows in excess of flood stage were evident on the tributaries of the Red River.

As the weather and other contributing factors continued to bear out these earlier indications, plans were formulated by provincial and municipal authorities early in April to prepare the necessary co-ordinated plans for meeting eventualities which might arise.

Even though in the early stages it was generally conceded that more than the usual amount of water would come down the

Red River in the spring of 1950, no one could have predicted the ultimate extent of this devastation. Forecasting of water flows is under the best of conditions a very difficult task and no one could possibly have foreseen the heavy rains early in May which along with other unfavorable factors combined to raise the level of the flood to almost unprecedented heights.

With these facts in mind, I would like to outline specifically some of the perhaps not well-known or appreciated efforts and plans which were made by government departments prior to the advent of flood waters in this province.

On April 14th an agreement was signed with the Army whereby the military were given legal authority to cover Army participation in the emergency, and arrangements were made for prompt action should their assistance be requested.

On the same evening representatives from the provincial government, armed services, Canadian Red Cross, Greater Winnipeg municipalities and organizations met in the Red Cross Centre to lay plans to meet any eventualities arising from a flood. A committee to co-ordinate all relief work was established. Information was given to the public as to action to be taken in the event of a flood. The Army pledged sandbags, troops and other equipment should they be needed, and machinery was set up to help evacuate, house, clothe and immunize from disease, those who might be forced to leave their homes.

The government placed every facility at the disposal of this committee set up to co-ordinate flood fighting activities. We met with the engineers of the City of Winnipeg. It is true that we did not at that time know that we were going to have a large scale flood, but we had done everything that we knew of in case one occurred.

The Department of Agriculture about this same time, through its various field men, gave warning of the possibility of flooding along the Red River Valley. Through their efforts, and through the efforts of the farmers themselves in the danger areas (not unmindful of the 1948 floods), some 9,000 head of livestock were evacuated, and provision was made for their adequate pasture and care. Hundreds of tons of hay were distributed for feeding stranded and evacuated animals. The unstinting efforts of these farmers and agricultural representatives cannot be too highly commended.

The Department of Health and Public Welfare at the same time had formulated plans. Extra staff were situated in threatened

areas. Supplies of fresh water were spotted in railway tank cars. Free vaccine sufficient for the immunization of close to 200,000 people was provided. All possible measures were taken to guard the lives and health in the danger areas.

The Departments of Mines and Natural Resources and Public Works each had close to 100 members of their staffs working long hours from the very beginning of the disaster. The Department of Public Works gave every support it could, making available all equipment it had in the province—pumps, motors, heavy road equipment, etc. The Department of Mines and Natural Resources likewise made available all its equipment—boats, canoes, pumps and automotive equipment. Both these departments gave every assistance in engineering advice and staff to municipalities which had no engineering staffs capable of meeting such an emergency.

Let me, at this point, turn to a brief account of the levels of the water in the Red River in these early stages of the flood.

On April 20th the level of the river at Emerson was still about six feet below the level of the corresponding date in 1948, and the sharp rise which took the Emerson level above that of 1948 by April 25th was followed by a series of relatively steady rates of flow. By April 30th the river at Emerson rose until it was almost two feet above the corresponding date in 1948—but in the next three days the level dropped almost a foot. It was at this point that it appeared as though the worst might be over and that we might look forward to a somewhat similar development farther to the north.

It was about this time (May 3rd actually) that Premier Douglas of Saskatchewan and Premier Frost of Ontario wired offering assistance. I replied thanking them for their offers but stating that through the efforts and co-operation of the Red Cross, the Royal Canadian Mounted Police, the armed services, municipalities, volunteer organizations and individuals, lives and health in the stricken areas were being protected and, as far as was possible, property damage was being kept to a minimum. Later, when it finally became apparent what kind of help our sister provinces could extend, we immediately asked for it, and received it.

The whole situation was completely changed, however, by the heavy rain and snow on Thursday and Friday, May 4th and 5th, and again on Monday and Tuesday, May 8th and 9th, which amounted to more than three inches of rainfall in the Red River

Valley. That rainfall, if it had occurred at the same date in many years, would have been a great benefit to the farmers of Manitoba. Such a rain, under some circumstances, would have been worth millions of dollars to the Manitoba crop. But coming as it did with the river already in flood, with the soil already thoroughly saturated from heavy rains in the preceding week, and with considerable snow still remaining from the heavy snowfall of the winter, it was a rain which, in the opinion of our engineers, raised the flood peak about four feet above the level which it would otherwise have reached, and which added many million dollars to the total damage in the Red River Valley.

By the night of May 5th it was apparent that a great emergency faced us. The waters rose to a peak level at Emerson on May 13th and at James Street in Winnipeg on May 19th, and the official James Street gauge did not drop below the flood level until June 10th.

As I have already said, arrangements had been made with the local authorities and with the Red Cross and other organizations to deal with a flood of about the proportions of 1948, and in addition arrangements had been made with the Federal Government concerning the part which would be played by the military services in assisting the regular civilian authorities, should the water rise to such a level as to call for more drastic measures. Accordingly, at a meeting held from 11.00 p.m. on Friday, May 5th, well into the early hours of Saturday morning, steps were taken to put these more drastic measures into effect.

That meeting was held in the Council Chamber adjoining my office and was attended by representatives of the Federal Government, of different departments of the Provincial Government, of the City of Winnipeg and surrounding municipalities, and of the Red Cross, together with those who were to be in direct charge of the activities of the Armed Services. There were also present representatives of the police forces of the City and the Mounted Police who had been placed in charge of the maintenance of law and order in those parts of the Red River Valley where the regular law enforcement authorities had asked for additional help.

At this meeting, I, on behalf of the Government, requested the Armed services to place themselves at the disposal of the Manitoba Government in order to provide more adequate facilities for the work of building emergency dikes and other activities for control of the flood itself and also for control and direction of the civilian popula-

tion in the flooded and threatened areas. Agreement of the Federal Government to this being done was immediately asked for and received. This was actually the putting into effect of the agreement which had already been signed on April 14th.

About the time that this meeting ended the Riverview dike failed, but arrangements had already been made for evacuating the hospitals and homes of that area. Under this arrangement Brigadier Morton, as flood controller, took official direction of these activities at 10:00 A.M. on Saturday, May 6th. The excellent work done by Brigadier Morton, Commander Main, Air Vice-Marshal Costello and Assistant Commissioner Bird of the R.C.M.P., and the forces under their direction, is too well known to require any elaborate description by me at this time, but I would not let this opportunity pass without, officially, on behalf of the Government, and on my own behalf, thanking them and the men of the Army, Navy and Air Force and Royal Canadian Mounted Police for the high sense of duty and the high standard of efficiency with which they carried out their onerous responsibilities under conditions where plans had to be made and revised almost hourly. During this trying period the people of Manitoba were indeed well served by the officers and men of the three services and the Royal Canadian Mounted Police.

Arrangements were immediately made for evacuation of other seriously threatened areas in Winnipeg and the suburbs and the Canadian Red Cross proceeded to set up a flood relief headquarters to co-ordinate assistance to all who were unable to provide themselves with food, clothing and shelter. The best estimate that is available is that in total about 100,000 persons had to leave their regular homes in the Winnipeg area and in the valley of the Red River and its tributaries. A significant indication of the fine community spirit and of the enterprise and initiative of the people of Manitoba is that of the total number who left their homes, only 4,000 had to seek assistance from the Red Cross and a correspondingly small number sought other public assistance. Great numbers of our citizens and those of other provinces, during those critical days, extended a helping hand in many practical ways, and gave food, clothing and shelter, thus relieving the extremely heavy burden thrust upon the Red Cross and other agencies of public assistance. The Manitoba Division of the Canadian Red Cross was assisted in this work by a few key experienced personnel from Canadian Red Cross headquarters and from American Red Cross headquarters in Washington, but the great bulk of the work was done by volunteers recruited from the citizens of Manitoba.

I am glad of this opportunity of expressing the thanks of the Manitoba Government and of myself personally for the indispensable service the Canadian Red Cross under the capable leadership of President Brian Dickson provided in these trying days. The quality and thoroughness of the work of the Red Cross during the flood emergency will never be forgotten by our people.

Obviously, it would not be possible for me to single out for special mention, all the groups and individuals whose contributions stood out during the emergency, but none of us will ever forget the volunteers who in their thousands, weary and cold, worked in mud and darkness for hours on end building dikes, moving people, caring for livestock, carrying household furnishings, always helping someone else. Many of these people, their valiant efforts lost as their own dikes failed and their homes were flooded, turned immediately to work on other dikes which still stood. Nor will we forget the magnificent work of the civilian engineers, skilled workers and contractors who laid the foundation for the great St. Boniface dike, protecting almost a whole city within its circle. The citizens of every flooded community in the Valley showed once again that the spirit which made our province great still lives to keep her so.

Even recognizing the impossibility of listing in any statement such as this, all the organizations which assisted so greatly, I must not pass on without thanking on behalf of the people of Manitoba the Salvation Army, the Central Volunteer Bureau, the Community Clubs, the Canadian Legion, the I.O.D.E., the St. John's Ambulance Corps, the communication and transportation services, our hospitals, our sister provinces, the Government of Canada and other countries.

During the period of high water the efforts of the Government were directed primarily toward the safety and health of the people in the flooded and threatened areas and toward keeping property damage to the lowest possible amount. Whenever it was possible to do so without interfering with those immediate objectives, the Government gave thought to what would be required after the waters had gone down and the people would be returning to their homes.

The first obvious need was for a proper inspection of the homes as to whether or not they were safe, both from the point of view of health and from the point of view of possible injuries from falling or weakened structures. This was the type of problem with which the local health authorities and building firms were already familiar and therefore the province placed its staff and facilities at the disposal of any municipality which requested such help.

Another matter which required immediate attention was that of restoring, as quickly as possible, those productive activities which had been affected. So far as the City of Winnipeg and the suburbs were concerned, the majority of business and manufacturing establishments were able to get back to work as soon as employees and customers returned. In the farming communities, particularly to the south of the city, the situation was quite different. There the Department of Agriculture embarked upon an extensive program of assisting in the return of livestock, in the securing of seed and in advising and assisting in the rehabilitation of farm machinery and equipment. Unfortunately, a substantial acreage of the flooded area remained so wet that it could not be seeded in time to harvest a crop this year and another substantial acreage which was seeded late matured so slowly that the wet and backward fall which has delayed harvesting operations throughout the province prevented some crops from maturing before freeze-up.

By far the most costly single program the province faced has been and will be, the expenditure for the rebuilding of homes to a standard roughly corresponding to the condition of the homes as they were before the flood. On May 31st, 1950, the Government set up the Red River Valley Board under the chairmanship of Mr. C. E. Joslyn, General Manager of the Rupertsland Trading Company, the department of the Hudson's Bay Company which deals with its land transactions, and with two additional members in the persons of Dean MacEwan, of the Faculty of Agriculture and Home Economics at the University, and Mayor Forrester of the Town of Emerson.

The Red River Valley Board, in co-operation with the municipal authorities, proceeded at once to assess the damage done to each inundated home and to make arrangements to pay the cost of restoration. These payments are applicable to houses themselves and to the out-buildings such as barns, garages and the like, with certain limits as to the payment for any single property. I propose to deal with the details of the cost of this work and arrangements for financing it in the part of my remarks which concern finances generally.

This phase of our rehabilitation program will cost upwards of \$12 million, but the Government always believed that repairing the homes of the people was of primary importance in the program of rehabilitation.

Next to damage to dwelling houses, one of the largest single items of damage was that done to roads, bridges, and highways,

As is its regular practice, wherever roads are seriously damaged by wet conditions, the province used its road building and repair facilities to the fullest extent possible in maintaining road communications in the flooded area and in restoring damage done, so that the regular community life could be re-established as quickly as possible after the water subsided. The province accepted complete responsibility for trunk highways and assisted wherever requested within its limits of available equipment in work on municipal roads and bridges.

In addition, the province is assuming the great bulk of the municipal share of these extraordinary restoration costs in accordance with a formula which I will outline when I deal with financial matters.

Before turning to the question of the total cost of restoring flood damage and to the question of what proportion of that cost will be lifted from those directly concerned and assumed by the taxpaying public, I would like to describe briefly some of the underlying circumstances which made it impossible to know for many days the real extent of the costs which might fall upon the provincial treasury and therefore upon Manitoba taxpayers.

Normally, before committing the Province to major expenditures, projects are given the most careful scrutiny over a period of weeks and sometimes months before the Government proposes to the Legislature that new financial burdens of any magnitude should be placed upon the citizens of the Province. In an emergency period such as that experienced in early May, no such careful deliberations were possible.

We knew that we had completely underwritten and guaranteed all the expenses of the Army, Navy and Air Force, apart from the use of their permanent force members. Whether their costs would run to one million or five million dollars was unknown. The Government quickly decided to take over the cost of sand and sandbags purchased by either its own Government departments or municipalities. We made early provision to pay the entire costs of the Red Cross if those costs exceeded the money they had available for disaster purposes. We underwrote the potential expense of the "Black Boy" operation, which would have involved the almost complete evacuation of 300,000 people from the Greater Winnipeg area. This cost could have run into millions of dollars. We also guaranteed to repay to certain other provinces the cost of maintaining the sick and infirm citizens of Manitoba in institutions beyond our borders. We knew that the Manitoba Telephone System and Power Commission

which worked so heroically to maintain vital communications and power throughout the Red River Valley were incurring expenditures the total of which was unforeseeable at that time—costs which would ultimately involve the Provincial Treasury in losses or in new financial commitments. We knew that our Department of Public Works would be heavily involved in the difficult and costly work of rebuilding roads and drainage systems throughout the entire Red River Valley. We had also guaranteed assistance to any municipalities which needed financial help. In the face of these and many other commitments, none of whose totals could be known, when estimates of damage were ranging as high as \$300 million, and even before the crest of the high water had been determined, the Government was asked to commit this province to a guarantee of payment for every conceivable type of loss that might be caused by this great flood. This neither we nor any other responsible government could do.

Our first concern was and will always be to do those things which are necessary to protect human life and our every attention at this time was directed toward this end. The Government refused no request which involved measures, no matter how costly, for the protection of life or safety of people. Scarcely an hour went by which did not involve us in decisions of great primary importance. It is my regret, and the regret of my colleagues, that these matters exhausted so much of our time that we were unable to visit stricken communities even more often than we did.

At the same time, of course, we had the assurance that the armed services, working on a blank cheque from us and with the great resources of manpower available to them, were doing all that could humanly be done in the major flooded areas.

Early in May, Prime Minister St. Laurent stated in the House of Commons that the province would receive for the Red River Valley the same financial treatment as was accorded to British Columbia in the Fraser River Flood of 1948. It became necessary, then, for a realistic appraisal to be made of flood damage. Even though the waters were still rising and no one could foretell how long the flood could last, officials of the provincial government estimated that the tangible flood costs would amount to \$50 million. From this estimate it was clear that the magnitude of the loss was too great for the municipal governments to bear alone or with provincial assistance.

Before the flood had passed, the Federal and Provincial Governments, together, set out to estimate officially the flood damages.

By an Order-in-Council dated May 17th, the Shaw-Carswell Commission was set up to carry out this undertaking. I need not remind you that the Federal member was Mr. J. B. Carswell, a noted engineer and diking authority, now serving us again as Chairman of the Greater Winnipeg Diking Board. Our representative was Mr. D. Bruce Shaw, of A. E. Ames and Company, a man noted throughout Manitoba for his wide interests, ability and special knowledge of municipal and provincial finance. This Commission arrived at a total damage figure of \$24 million and, on the basis of the information provided by its report, the Federal Minister of Finance and our government held negotiations in order to determine a figure for interim Federal assistance to us toward the Red River Valley flood damage. The Shaw-Carswell Commission, in its considerations deliberately omitted several items of major flood costs, for instance, furniture and clothing losses, damages to large business organizations, travel expenses, diking damage expense and other miscellaneous items of costs which were actually incurred but which they knew would be privately looked after or otherwise absorbed. According to the most recent estimate of tangible losses and costs, including the major items rightly omitted by the Shaw-Carswell Commission, it now appears that the overall total will run to \$42 million. On the basis of the Shaw-Carswell report, the Federal Government budgetted for assistance up to \$12½ million with provision for increases in this amount, if necessary. To date the province has received \$7½ million and negotiations on the final adjustments even beyond \$12½ million are still being carried on. I may say that Prime Minister St. Laurent and his colleagues have shown a sincere and sympathetic appreciation of our problems and all our negotiations have been held in the spirit of frank co-operation.

With the \$12½ million guaranteed from the Federal Government the province was able to formulate a policy for assistance to individuals and to begin interim negotiations with municipal governments. For the sake of clarity I will first review the assistance that is being extended to private individuals and will then outline the proposed settlement that this Government intends to make with the municipalities.

The Red River Valley Board, which was set up by an order-in-council dated May 31st, 1950, was authorized to grant assistance for the repair of private residences, farm homes and buildings and small business premises which suffered actual inundation damage. This board set up a complete organization for the appraisal of damage to these buildings and, in conjunction with our Treasury Department and the Comptroller-General's Department, for the

payment of awards. It is estimated that this program will involve the payment of approximately \$12 million on behalf of private individuals for the repair and restoration of flooded properties.

Many miles of public dikes were constructed in the Winnipeg area during the flood. Their construction and removal resulted, in many instances, in extensive destruction to private property. The Flood Control and Emergency Expenditure Committee of Cabinet which was set up by order-in-council even before the Red River Valley Board, for the purpose of reviewing all flood expenditures made by the Provincial Government, held meetings with municipal officials and, as a result, this Committee agreed to pay on behalf of the municipalities concerned the damages which individuals had suffered due to diking operations that were municipally authorized. The Government was already committed to pay all costs incurred by the Armed Forces during the flood and consequently, all claims for damages from diking or other flood fighting operations for which the Army was responsible are also being paid by the province.

In addition to the governmental assistance, the Manitoba Flood Relief Fund, made possible by the generous donations of citizens from all parts of Canada and the world and administered by many of our foremost citizens under the fine leadership of Mr. H. W. Manning, is giving assistance to individuals for a great variety of personal losses which in total will amount to approximately \$9 million.

Once the waters of the Red were again confined to the river's banks, each municipality was able to make a further appraisal of the flood damage which it incurred and to estimate what its restoration, flood fighting and emergency relief and welfare costs would be. In July the municipalities were requested to report to the Flood Expenditure Committee their costs under these three general headings and to estimate what their additional restoration costs would be on items such as roads, bridges, sewers, sidewalks, drains; etc. The provincial government had already arranged to pay the total cost of restoring inundated schools, all provincial trunk highways and the major inter-municipal drainage systems in Southern Manitoba. Before any definite decision was made as to what actual amounts would be paid by the province to the municipalities for the damages that they had suffered, it was thought expedient to review with the Federal Treasury the situation as it then appeared. Accordingly on October 12th a meeting was arranged between the Federal Minister of Finance and myself. The results of that meeting were

most satisfactory and, although no specific sums were agreed upon, on the basis of the Fraser Valley formula, Manitoba can depend upon receiving a further grant in addition to the \$12½ million already promised.

The statements submitted by the municipalities for the above mentioned items total about \$4,100,000. On the basis of these statements and with the assurance of further federal assistance, your Government has come to the conclusion that an equitable settlement to all concerned could be made on the basis of the province paying 87½ per cent of the total restoration, emergency relief and flood fighting costs of the inundated municipalities.

Many of the reports prepared by the municipalities were submitted at a time when only an estimate could be made of the final cost for various items. Consequently, of the total of \$4,100,000, a considerable proportion is still uncertain and it may contain some items which, on further examination, may not be found to represent proper charges of actual losses sustained or damages incurred. I am sure the members of this House will appreciate that this government could not make final payments on the basis of "estimated" figures, particularly when such estimates were arrived at before a complete appraisal of all the circumstances could be made. With this in mind, then, your Government has decided that it will pay 87½ per cent of the approved costs as submitted by the municipalities subject to a final review of costs so shared by the province.

I have now outlined the steps taken by this government in granting financial assistance to the people of the flooded areas and their local governments. In summary the financial record of the government is this:

When called in, the Army was given a blank cheque to meet any and all contingencies which might arise. It is now apparent that this will amount to approximately \$1 million. The Government is paying in full the costs of sand and sandbags which were used in flood protection and this has totalled \$1 million so far, with all bills not yet in. The Red River Valley Board, in restoring the flooded homes and premises of private individuals, will spend a total of \$12 million. The municipalities, subject to a review of their bills, will be reimbursed for 87½ per cent of their actual expenditures. Other categories of damage paid or assumed by the government total large amounts.

Offsetting these commitments we have already received from the Federal Government \$7½ million with a definite promise of

\$5 million more, and, as I said earlier, depending upon final determination and clarification of flood costs in this province, we believe that this figure will be substantially increased.

When presenting the Budget Speech later in this special flood session, I will provide the House with a detailed account of the money we have spent and how much more will be needed. For the time being I am able to report that the most recent and reliable flood cost estimate is one which sets the costs which the province will bear, in whole or in part, at a figure of \$23 million.

I am sure the Members of the House will find it both informative and interesting to know some of the major items which are included in this estimate.

Red River Valley Board	\$12,000,000.00
Municipal flood fighting and flood restoration costs	4,100,000.00
Expenses of armed forces	1,000,000.00
Purchase of sand and sand bags	1,000,000.00
Emergency relief and welfare costs	630,000.00
Restoration of school and university properties....	450,000.00
Grants for restoration of homes damaged in flood fighting operations	98,000.00
Costs borne by Manitoba Telephone System and other publicly owned utilities	1,500,000.00

The balance of the \$23 million is made up of various types of expenditures which are included in the flood fighting and flood restoration accounts.

These costs are, of course, entirely apart from those involved in the emergency dike construction now under way under the direction of the Greater Winnipeg Diking Board. We already have an entirely separate agreement between the Federal Government and the Province by which Canada guarantees to pay 75 per cent of the cost of these dikes, which will amount in total to something in the order of \$5 million. This means that the Federal Government will pay upwards of \$3,750,000 and that the balance will be divided equally between the province and the municipalities concerned. The work of the Diking Board is well under way and we have every assurance that before the break-up next spring the Greater

Winnipeg area in which such a large proportion of the population of our province lives, will have protection against a flood level two feet higher than that of 1948. The dykes constructed under that program will provide agreed locations, ready access for heavy equipment and solid foundations upon which emergency dikes could be superimposed if flood waters should rise above the 26½ foot level to which the permanent dikes are being built.

So much for the emergency diking program which is confined to the Greater Winnipeg area where by far the greatest damage is caused per acre of flooding.

In addition to this and following upon representations made by this Government to the Government of Canada, the Prime Minister announced that Canada would accept the responsibility for carrying out the most comprehensive and far-reaching investigation for the purpose of determining the feasibility of affording overall flood protection to the Red River Valley in Manitoba.

The Prime Minister subsequently announced that this work would be carried out by various departments of the Government of Canada but would be co-ordinated by and under the overall direction of the Department of Resources and Development. The Prime Minister has also informed me that throughout their investigation the closest liaison will be maintained with local and provincial authorities and that through the International Joint Commission the closest relations will be maintained with United States flood control agencies in the hope that an all-embracing plan for the entire Red River Valley may be developed.

Members will appreciate that this is an undertaking of considerable magnitude and the estimates with regard to the time required for the completion of these studies vary from three to five years.

Considerable work has already been done in this connection and I have every confidence that the Minister of Resources and Development, the Honorable Robert Winters, will keep this government and the citizens of Manitoba well informed as to the progress of this undertaking. We on our part will continue to take a keen and active interest in these very important investigations.

Though this statement of flood matters, which I now conclude, may appear somewhat lengthy, it gives in reality only a brief review of some highlights of the Red River Valley flood of 1950 and

its resulting problems. It is presented to the House to serve as a background for the discussions that will follow on this important subject. Many details and further considerations will be advanced as the various measures dealing with it are placed before the House.

It will be apparent that Federal and Manitoba taxpayers are being called upon to bear a large share of the costs involved. Voluntary subscriptions to the Manitoba Flood Relief Fund, the Red Cross, and other agencies supported by public donations will also bear a large part of the cost. The ones who have borne and are bearing the greatest burden of this disaster, however, are those people who were flooded and had to leave their homes. Even those who are fully compensated financially, and it is realized that not all can be in that fortunate category, can never be repaid for the inconvenience, and strain, and suspense, and the heartbreak of being forced from their homes, in many cases so quickly that all cherished possessions had to be left behind, spending long days and weeks and even months in anxious waiting and using their resources to begin over again. I am sure that every Member of the House sincerely sympathizes with their position and because it is so important to guard against a repetition of this catastrophe, that they will be willing not only to provide the necessary funds to carry out the rehabilitation arising from this flood, but also to make appropriations, again in co-operation with the Federal Government and the municipalities concerned, for those improvements which it is hoped will largely safeguard the future so far as Red River flooding is concerned, in the Greater Winnipeg area, and I am equally sure that the House will fully endorse every step taken by the government to press for an early completion of the Federal program which, as I have mentioned before, looks toward the most effective control of flooding throughout the entire Red River Basin.



BUDGET SPEECH

November 15, 1950.

Mr. Speaker:

Normally, when the Provincial Treasurer moves that the House go into Committee of Ways and Means he presents to the House, amongst other things, a comprehensive statement of the operations of the Government of Manitoba in the year just ending, a review of the preceding fiscal year, and estimated receipts, expenditures and other forecasts of the approaching fiscal year. A large part of that review is devoted to a study of the business of the province as it is reflected in the Treasury's records.

On this occasion the House has been called together for the primary purpose of dealing with matters concerning the 1950 flood in the Red River Valley. For this reason I propose to limit this Budget Speech to the financing of expenditures directly or closely related to this flood.

As soon as arrangements had been made for the physical organization for handling our flood protection programme, alleviating hardship as far as possible, and providing for the health and welfare of our citizens, evacuation of livestock and such essential matters, there was established by Order-in-Council a Committee of Cabinet known as the "1950 Flood Control and Emergency Expenditure Committee." In essence, the function of the Flood Expenditure Committee was to act as an emergency body to approve expenditure without the necessity of assembling the full Cabinet, and to provide a small group of Ministers who would be readily available for consultation with any Minister who might find it necessary to spend large sums of money for which no provision had been made in the regular budget of his Department, or for new projects which had not been previously approved.

At the same time we opened a new Appropriation XVII known as "1950 Flood Control and Emergency Expenditure" and provided this Appropriation with a credit of \$1 million by way of Special Warrant.

By the same and amending Orders-in-Council a number of Ministers were given authority to authorize payments out of this appropriation subject to the review and co-ordination of the Flood Expenditure Committee as to the general policies to be followed and provided that any single commitment over ten thousand

dollars, or any grant would receive the approval of the Lieutenant-Governor-in-Council in advance. The Ministers to whom this power was given were:

The Honourable the Minister of Public Works.
The Honourable the Minister of Mines and Natural Resources.
The Honourable the Minister of Health and Public Welfare.
The Honourable the Minister of Agriculture and Immigration.
The Honourable the Attorney-General.
The Honourable the Provincial Treasurer.
The Honourable the Minister of Education.

Even before these arrangements were made Ministers facing large expenditures cleared their commitments in advance either with the full Cabinet or with myself as Premier and Provincial Treasurer.

Appropriation VXII has, up to now, been credited by Special Warrant with a total of \$10 million, \$7.5 million of this amount being received from the Federal Government. We have opened a special bank account into which the money from the Federal Government and our own is being credited, and against which all our flood cheques are being issued. This has been done with the end in view of keeping flood payments entirely apart from the regular expenditures of the Government.

At the same time, notwithstanding the emergency, we were careful to see that we would have a comprehensive audit of all flood expenditures. The Comptroller-General, by augmenting his accounting and audit staff, has been able to ensure that a complete audit of the accounts of our regular Departments and of the Red River Valley Board is being maintained. Though some time will elapse before the official Public Accounts will be submitted to the House covering this particular period, I can assure the House that the procedures which the Comptroller-General has established in conjunction with our Treasury Department will ensure that a true and accurate audited statement of these accounts will be available.

These statements as they relate to the fiscal year 1950-51 will appear in the Public Accounts for the year ending March 31st, 1951 and the Public Accounts for the year ending March 31st, 1952, will contain the same information with respect to expenditures made in the fiscal year beginning April 1st, 1951.

The estimates which you have already passed indicate a total figure of \$23 million for Flood costs and related damages and an additional amount of \$1,200,000 representing the Provincial-Municipal portion (25 per cent) of the present estimate of the total

expenditures which will be made by the Greater Winnipeg Diking Board in connection with the construction of dikes in the Greater Winnipeg area.

The House already knows that we have received \$7,500,000 of the \$12,500,000 voted by the Government of Canada last June as assistance toward meeting our Flood costs. Our actual cash disbursements as of October 31st, 1950, being \$7,209,033.88 there has as yet been no occasion to call for the additional sum of \$5 million now appropriated by Canada for this purpose.

However, our negotiations with Ottawa are still being carried on. I have already reported to the House the substance of our most recent meeting in Ottawa last month with the Federal Minister of Finance. That meeting and its discussions were quite satisfactory, but we were in the position that the known costs have not yet arrived at the stage where it can be said with certainty exactly what the final costs will be.

We estimate, for instance, that restoration when completed will cost \$17,020,334.27 (as you will remember from the figures supplied you in the supply estimates). Not more than a third of those restoration costs have, as yet, been paid out and much of the remaining balance will not be spent until a few more months have passed.

Faced with this large unknown factor, we have had no desire to guess at a hurried final settlement that might later prove too small and leave our Treasury in such a position that we would have to consider heavy taxation to meet our final costs. On the other hand we have not wished or expected to secure by estimates based on inadequate information a final payment from the Federal Government, which would leave the opportunity for anyone to say that the Province of Manitoba had secured an undue advantage in the final settlement. What we have asked and what we will still insist on for Manitoba is that we receive as good treatment on the same general basis as that afforded British Columbia after the Fraser River Flood of 1948. That we have been promised by the Prime Minister of Canada and by his Minister of Finance, and that we shall continue to press for.

In the meantime, we plan to draw as required on the Consolidated Fund of the Province to pay our proportion of the total costs, treating such payments as current expenditures. Largely as a result of the sound financial policies of this and preceding governments we are in the fortunate position that we have sufficient resources in terms of current income and other reserves to meet our share of flood costs without special borrowing and without levying new and heavy taxation.

